



# The private rented sector: professionalism and quality – consultation

## **Summary of responses and next steps**



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quality – consultation  
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# Contents

|   |           |
|---|-----------|
| <b>Section 1: Introduction</b>            | <b>3</b>  |
| <b>Section 2: Progress and next steps</b> | <b>5</b>  |
| <b>Section 3: Summary of responses</b>    | <b>16</b> |
| <b>Annex: List of respondents</b>         | <b>33</b> |

# Section 1: Introduction

1. A strong private rented sector is an essential part of a well functioning housing market. In England, that private rented sector already performs a critical role in supporting economic mobility, giving flexibility and choice to those who choose not to enter home ownership and supporting economic mobility, and providing housing to many of the most vulnerable in society. The recent financial downturn has also highlighted a key role for the sector in the housing market of the future, both in providing a home particularly to young people, and as a driver of housing supply. We want to support an increasingly professional private rented sector in all its roles while delivering visible improvements for tenants and empowering them to be assertive and well-informed consumers.
2. We want to support an increasingly professional private rented sector in all its roles. A key element of that is helping tenants to be assertive and well-informed consumers. Alongside our longer term regulatory agenda, this paper sets out our proposals to provide better help and support to tenants now.
3. Over the last two years, we have moved decisively to help those families and businesses impacted by the downturn the most, while putting in place the building blocks to support an effective and sustained housing recovery. This includes work to increase house building now and through our strategy, working closely with the local authorities to streamline and boost delivery in the future. Delivery of new housing specifically for private rent is a key part of our strategy.
4. *Investing in the UK Private Rented Sector*, also published today, seeks views from across the sector on potential economic and fiscal barriers to investment. But we already know that the poor reputation of the sector, whether fairly or not, is a key barrier for some potential investors. We want to turn that around. We want to create a virtuous circle where a high quality sector attracts investment which, in itself, results in improvements in quality which can then drive further investment.
5. This points to the need for a better as well as a bigger private rented sector. The proposals in the Rugg Review focussed explicitly on securing improvements in the professionalism and quality of the service landlords offer. Our response published for consultation in the summer accepted that agenda and took it forward through more developed proposals for change that built on those in the Rugg Review.
6. Since the consultation on our proposals closed, we have been developing our thinking in the light of the responses received and the important work of the task and finish groups that we established over the summer. We are very grateful to all those who have taken so much time to engage with us and share their thinking and we hope that they will continue to do so. It has been very

encouraging to see the overall support for our proposals that has emerged. The responses we have received have reinforced our commitment to legislate as necessary at the earliest opportunity.

7. The responses have also highlighted the considerable work that needs to be done before we can legislate. We are committed to developing that detail with the full involvement of stakeholders, building on the work of the task and finish groups.
8. A specific issue that has emerged is how best to ensure that tenants receive appropriate help and advice. As has already been mentioned, tenants have a key role in driving forward improvements in the sector through their activities as assertive and informed consumers. However, it is not reasonable to expect them to carry out that role with insufficient knowledge and information to back it up. In particular, some have pointed to the imbalance of information between tenants on the one hand, and landlords and agents on the other. At the same time, some tenants, particularly those on low incomes who may have fewer choices in the sector, do not understand their rights and responsibilities, and do not know where to look for information and support.
9. The regulatory package on which we have consulted will address many of these issues, but it will take time to establish. So, as a first step, we are announcing funding to establish a private sector tenants' helpline now. We will work with our partners in the voluntary sector in order to have the helpline in place by the end of this year. It will build on existing housing advice services, with a particular focus on signposting private sector tenants (and potential private sector tenants) to the advice and information that already exists, including that provided by local authorities.
10. This paper sets out the framework within which we will take forward the work described above alongside an outline of our current thinking. It does not constitute a formal consultation, although we continue to welcome representations from all interested parties. In particular, it:
  - i) Summarises the responses to the Summer consultation exercise (Section 3)
  - ii) Provides an update on our views, particularly in respect of the regulatory package on which we consulted (Sections 2A and 2B)
  - iii) Identifies the areas for further work as the detailed legislative package is developed (Section 2A)
  - iv) Describes how we intend to engage with stakeholders to finalise our proposals for legislation. (Section 2C)
11. Although the paper has a specific focus on our proposals for regulatory change, it also sets out progress and our current thinking on the full range of proposals on which we have consulted (Section 2B). We continue to see the total package as a reinforcing whole that will deliver real progress for the whole sector.

# Section 2: Progress and next steps

1. This section provides an update on the key proposals on which we consulted in the summer and, where appropriate, identifies a range of issues for further work. This is set out against brief summaries of the responses we received to the summer consultation. A full summary of responses is provided in Section 3.
2. This section also sets out our plans to work through the issues we have identified for further work with stakeholders by means of a Task Force based on the task and finish groups that we established over the summer.

## A. Regulatory proposals – update and options

### National Register of landlords

#### *Responses to consultation*

3. Respondents were generally supportive. While many individual landlords were opposed to the Register, the main landlord organisations expressed cautious support provided that the concerns of landlords were properly considered. Housing charities such as CRISIS and Shelter were strongly supportive. There was support for a points system for the removal of landlords from the Register but a desire to see more work done on exactly how this would work in practice.
4. The main issues raised by respondents were:
  - i) **Cost** – a better understanding was needed of likely costs. In particular, it was thought that linking other services to the Register would increase costs and it was suggested this should be deferred until the Register was up and running smoothly.
  - ii) **Objective** - there was a lack of common understanding of the purpose of the register. Was it a comprehensive list of private rented property and landlords, or an attempt to enforce better behaviour?
  - iii) **Enforcement** - more detailed consideration about how enforcement and policing of the register would work in practice would be needed and, linked to this, there would need to be clear central guidance on the criteria and process for striking a landlord off the register. The process of considering whether to remove a landlord from the register must take into account the landlord's lender and tenant and would need to consider legal implications

## Government views

5. We remain committed to the establishment of a National Register. We are clear that the Register will be focused on delivering against **4 main objectives**:
  - Better **safeguards for tenants** including a reduced risk of fraud
  - Assistance for **existing local authority enforcement activity**, including proper targeting of measures
  - More information and **support for landlords**
  - **Improved evidence** about the sector
  
6. We are now clear on our **firm proposals for the basic operation** of the Register :
  - A **national register** run nationally
  - **Compulsory for all landlords** (defined as those letting a property on a tenancy agreement – this excludes leasehold, resident landlords and holiday lets)
  - **Basic information required** on registration will be name (plus date of birth to ensure uniqueness), contact address, address(es) of property for rent
  - No further information will be required and there will be **no hurdles** to registration
  - There will be a **registration fee** to cover administration costs
  - Registered landlords will receive a **unique registration number** which will be a prerequisite to key landlord activities
  - **Failure to register will be a civil offence** attracting a cash penalty
  - **Compliance** will be enforced through the two elements set out above backed up by extensive national publicity focused on both landlords and tenants
  - On registration, landlords will receive a “**starter pack**” containing information about their rights and responsibilities and helpful links to other organisations.
  - Similar **information for tenants** will also be made available as part of the Register website
  - Only public **enforcement agencies will have access to the full data**. Landlords will be able to access their data (using their unique registration number). Tenants will be able to access current or prospective landlords’ data (using the relevant landlord’s unique registration number and, therefore, only with permission from the landlord)
  
7. But, taking on board respondents’ concerns about costs and the impact of adding to the functions of the Register and the exact form of any enforcement activity directly linked to the Register, we have identified the following **areas for further work**:
  - i) **Could the National Register be a direct enforcement tool in itself?** In the summer, we consulted on a mechanism by which a persistently poorly performing landlord might be identified and prevented from managing



property for rent (by the imposition of a requirement that their property be managed by an approved managing agent). We would like to explore:

- Whether the Register, as described above, will be sufficiently robust to support such an approach?

We have noted and share the concerns expressed by respondents in this area. We would like to explore with stakeholders the best way to move forward in this area. Would it make sense to first establish the Register with the potential to add a direct enforcement function later? Or is there value to launching both functions simultaneously?

- If yes then what form should a direct enforcement function take – an automatic points based approach, or a regulatory approach?

An automatic points based approach would involve sanctions being taken against a landlord based on a pre-set tariff for penalties associated with specific offences in line with the current regulatory regime and for which the landlord had already been convicted in the Courts (or through the Residential Property Tribunal Service).

A regulatory approach would involve the establishment of a regulator who could use a wider range of evidence drawn from complaints (potentially to an ombudsman) and local authority enforcement action.

The advantage of the automatic points based approach would be low costs and transparency. The advantage of the regulatory approach would be the ability to take a more nuanced view on penalties drawing on a wider range of evidence, which could include tenant complaints.

Subject to emerging views on the above options, we would also wish to explore more detailed regulatory questions relating to levels of penalties, whether they should be time-limited and whether sanctions should also be linked to size of portfolio.

- ii) **Help and advice for tenants** – we want to support tenants to be assertive and well-informed consumers. Stakeholders have often drawn our attention to information asymmetries in transactions between tenants and landlords and we understand that this is likely to be confirmed by ongoing research by Consumer Focus. We are also conscious that many tenants are hampered in their engagement with landlords by a simple lack of knowledge of their rights and responsibilities and of where to go when things go wrong.

The Register already has the potential to help through its role in providing information about the rights and responsibilities of both tenants and landlords and by enabling tenants to carry out a basic check on a prospective landlord. But we want to do more. We have announced that we will support a private sector tenants' helpline and we are exploring how the information asymmetries we have noted can be tackled.

We would like to work with both landlords' and tenants' groups to quickly develop and put in practice measures which could then, if it was thought helpful, be linked to the National Register in due course. Key questions we would like to explore are:

- What are the information gaps for tenants? And where do they currently go for advice and help? Would it be best to deliver additional help through add-ons to existing mechanisms? Or would it make more sense to set up something new?
  - What type of support services would tenants find most useful - access to solicitors on a "housing panel" like the Family Law Panel; some form of consumer feedback website; a national tenants' helpline?
  - Would there be value in linking any of the above to the National Register? If so, how?
- iii) **Technical and operational issues** – respondents highlighted issues around costs of the National Register. We would like to explore this further and link it to a range of operational issues such as:
- Registration fee structures (flat fee or scaled according to size of landlord – initial registration fee followed by lower renewal fee?)
  - Arrangements for updates of information (once or year or ad hoc – linked to a fee or not?)
  - Renewal dates (annual or rolling?)
  - Links to existing organisations – it seems sensible to develop a way in which members of trade bodies could automatically join the Register. How would this work in practice?

## **Regulation of letting and managing agents**

### *Responses to consultation*

8. A majority of respondents supported the full regulation of private sector letting agents and managing agents by an independent regulatory body. Though most did not support establishing an entirely new organisation, there was no clear preference for any existing body. Respondents were in favour of including leasehold managing agents.
9. Although there was considerable support for the principle of regulation of letting and managing agents, there was also widespread recognition amongst respondents that detailed arrangements would need considerable work. Key elements they highlighted were:

- i) **How do you define a letting and managing agent?** - the definition of what is a letting or managing agent needs very careful consideration, for example, some landlords manage properties for other landlords or family members.
- ii) **What property condition standard would be used?** – there was some concern about using the decent homes standard as the minimum requirement for letting out a property as it is not set down in legislation and cannot be enforced. Also, the standard is not particularly well known in the private sector and is quite complex for an agent to check. Something simpler should be used. One alternative would be the absence of Category 1 hazards.
- iii) **Which regulatory body will be used?** – there were mixed views on which existing body would be best placed to take on this role, although there was a consensus that an existing body should be used.

### *Government views*

10. We agree with the emerging consensus around the need to regulate letting and managing agents. We think that the **drivers for regulation** are overwhelming:
  - **Consumer protection** for both tenants and landlords with a particular focus on protecting consumers' money
  - **Increase the professionalism and reputation of the management sector** (which will, in itself, contribute to removing barriers to institutional investment in the private rented sector)
  - **Drive improvements in condition** of the private rented sector
  - **Create a level playing field for all agents** (rather than a disincentive to the best)
  
11. We are also clear about the **key principles and characteristics** that should underpin the regulation of letting and managing agents:
  - **A separate regime from estate agency.**
  - **Should cover all letting and managing agents**, including landlords who manage properties on behalf of other landlords, and those managing long leasehold properties. Should not cover landlords managing their own properties.
  - **Self funding** through fees paid by agents to join
  - Must contain the following elements:
    - A clear mechanism by which consumers feel confident that they will get a fair hearing if they complain
    - The ability to provide **redress**, where appropriate
    - Non-negotiable and enforceable **safeguards to protect client money**
    - **Hurdles to entry** ensuring agents conform to basic standards including basic levels of knowledge and expertise.

- Enforceable **undertakings around the quality of stock** let and managed by agents (including energy efficiency) and the **fairness and transparency of fees**
- The ability to impose **sanctions**

12. But we also agree with respondents in identifying a wide range of issues which require further work:

- i) The **structure and type of regulation** envisaged. We have identified two basic models:
  - Largely **industry-led** with parameters set in legislation – this would involve the government approving existing bodies (say RICS, ARLA, NALS) to act as regulatory bodies in accordance with a Code of Practice set out in legislation. Any additional costs of regulation would be met through a surcharge to existing membership fees. Membership of an appropriate Ombudsman scheme could also be required.
  - A fully independent **Regulator** – under this regime, government could appoint a Regulator for the sector (possibly an existing organisation) to set and enforce standards for the sector within parameters set by legislation. All agents would have to pay a fee to the Regulator in order to operate. It could be possible for agents to join via their membership of existing quasi regulatory bodies (RICS, ARLA, NALS). It would also be possible to use an existing Ombudsman as a mechanism for filtering complaints.

Although there are many common features between the two models there would be significant differences in terms of cost, **independence** (particularly from a consumer perspective), and the **sanctions** that might be available to them. An independent Regulator would have access to a range of civil sanctions which would not be available to industry bodies.

- ii) **Definitions.** We have noted the concerns of respondents centring on how to define who should be covered by the regulatory regime. Given the basic characteristics (see paragraph 11, second bullet) on which we have settled views, we think that a starting point for a definition could be “an individual or organisation that acts on behalf of a third party in letting or managing a property under a tenancy or leasehold agreement”. But this will need refining and checking to ensure that it covers the right activities.
- iii) What should the **hurdles to entry** be? Again, we are clear on the basics – proper treatment of client money, sufficient financial backing, appropriate levels of knowledge and expertise – but each requires far more work to tease out exactly what is required. For instance, does everyone in an organisation need to meet certain standards? If not, who does and who does not? And what should those standards be (training or experience)?

- iv) What should a **Code of Conduct** contain? Or, what is it reasonable to expect from a letting or managing agent? Again, we have some basic requirements around overall conduct, fees and the quality of stock let and managed and we can draw on existing examples. But they will need work and refinement, for instance, as respondents have highlighted, around what is an appropriate minimum standard for stock quality?
- v) **Enforcement.** How will we ensure that those choosing not to join the regulatory regime in the first instance are compelled to do so (or required to cease trading) and that those who do join continue to meet the standards we have set? Existing trade bodies all have views, but we need to discuss more widely.

## Written tenancy agreements

### *Responses to consultation*

13. Most respondents agreed that all tenancy agreements should take the form of written agreements. There was however a mixed response to the most helpful way for the legislation to set out the tenancy agreement. On the one hand, landlords preferred a written model in the legislation and, on the other, the Law Society was firmly of the view that the legislation should simply provide for minimum requirements for a tenancy agreement.

### *Government view*

14. We are committed to introducing a requirement for all tenancy agreements to be written down. There are obvious advantages to this approach:
- **Improved transparency** for tenants and landlords
  - **Greater clarity** on expected length of tenancy
  - Improved **understanding of rights and responsibilities**
15. All these advantages would underpin and reinforce other elements of our regulatory package. However, we also agree that the issue of whether it would be better for the legislation to provide a specific model tenancy agreement (of which there might need to be more than one to cover different circumstances) or whether it would be preferable to simply set out the minimum requirements for a valid tenancy agreement requires more work involving all those affected.

## Increasing the threshold for Assured Shorthold Tenancies (ASTs)

### *Responses to consultation*

16. There was overwhelming support from respondents for an increase of the threshold for ASTs from £25,000 to £100,000 in annual aggregate rent.

Respondents also supported regular reviews of the threshold although there was a range of views on how frequently regular reviews should take place.

#### *Government view*

17. Changes to the threshold can be implemented through secondary legislation. Given the strong support for this proposal, and subject to the availability of Parliamentary time, we plan to lay a Statutory Instrument changing the threshold to £100,000. Subject to Parliamentary procedures, the aim would be that the new threshold would come into effect from 1 April 2010. We envisage that this would be subject to regular reviews at 5 yearly intervals – the median of the periods suggested by respondents.

### **Additional criteria for selective licensing regimes**

#### *Responses to consultation*

18. Respondents' views were split as to whether further criteria should be introduced for selective licensing regimes. The majority of views were expressed by local authorities and landlords. Local authorities noted difficulties with the current criteria, especially around linking anti-social behaviour with privately rented properties and made some suggestions for additional criteria. Landlords were not in favour of additional criteria given their concerns about local authorities' understanding of the targeted nature of selective licensing.

#### *Government view*

19. On 27 January 2010, we announced a consultation exercise on the issuing of a general consent to cover both forms of discretionary licensing – selective licensing and additional licensing. In view of the changed framework for both local authorities and landlords that this introduces, we thought it sensible to give all interests a further opportunity to comment on the potential for changes to the criteria for selective licensing before coming to a view. The consultation document is available on the Communities website at <http://www.communities.gov.uk/publications/housing/generalconsentshmo>, and the consultation closes on 12 March.

### **Improved redress for tenants and landlords**

#### *Responses to consultation*

20. Landlords and their associations were the main respondents on this issue. They continue to have concerns about the length of time involved in Court procedures (especially evictions under ground 8 or section 21). Tenant groups remained concerned about the costs to tenants and the risk of retaliatory eviction.

## *Government view*

21. We continue to work closely with the Ministry of Justice on these issues. While we have sympathy with both landlords and tenants in cases where a Court hearing takes a long time, we are also conscious of the need to allow all parties time to prepare properly for a Court case.

## **B. Non-regulatory proposals – progress**

### **Local Lettings Agency**

#### *Responses to consultation*

22. There was widespread support from respondents for the general principle underlying the concept of local lettings agencies (LLAs). They made three key points:
  - i) **The importance of learning from existing best practice** – any framework for the development of local letting schemes needs to acknowledge the wide variety of schemes already in place such as private sector leasing schemes, rent guarantee/deposit and bond schemes and nomination rights linked to grant or loan assistance. As a lot of good practice already exists, it would be prudent to pull these examples together before anything new is developed.
  - ii) **Concerns about Housing Benefit (HB)/Local Housing Allowance (LHA)** – Respondents took the view that LHA regulations have deterred many landlords from renting to low income households. They also thought that any strategies to make the private rented sector a more effective solution for vulnerable and homeless people will need to include a review of how housing benefit interacts with the sector. DWP and CLG should seek to improve the administration of housing benefit to increase the confidence of landlords in the housing benefit market.
  - iii) **Incentives** – the Government could develop a menu of incentives for councils to consider when developing LLAs. For example, free Energy Performance Certificates, access to an advice and assistance hotline, reduced HMO licensing or accreditation fees, reduced buildings insurance premiums and access to grant loan assistance in return for nomination rights. This approach could also be widened to work across neighbouring authorities by partnership working e.g. a reciprocal arrangement between local authorities for inspecting properties when providing rent deposits to tenants who wish to reside in neighbouring boroughs.

#### *Government view*

23. Since the Rugg Review was published, we have been working with a widening circle of local authorities and third sector organisations including Crisis and Shelter, and with landlord organisations such as the National Landlords

Association (NLA), to develop the Local Lettings Agency (LLA) concept. This forms one of four task and finish groups set up to examine aspects of the government proposals in more detail.

24. We want to see councils working together with the good landlords in their area to help a widening range of people in housing need, including individuals and families on housing or related benefits. An effective LLA should help people find better-quality homes in the private rented sector and to sustain successful tenancies there. Pioneering councils are already demonstrating that the PRS has scope – when the right support for is provided for both tenant and landlord – to prevent homelessness and to provide a suitable home for some of the most vulnerable members of society.
25. As part of an LLA approach, the government also wants to see councils building a better understanding of private renting as part of their wider housing strategy and taking a more business-friendly approach to their engagement with the better landlords and lettings agents in their area, while continuing to tackle poor quality.
26. We plan to disseminate the outcome of the group’s work on LLAs to the staff of local authorities, voluntary organisations and industry bodies – including case studies on councils who are introducing an LLA – during the Spring. We hope that stakeholders will use that information as a springboard for expanding their work together, building on and learning from the best of what is already been achieved by innovative councils from Bolton to Bournemouth.
27. Respondents’ concerns around the current housing benefit regime have also been noted. The DWP consultation (due to end on 22 February 2010) on further reforms of Housing Benefit focuses on ensuring that Housing Benefit is better able to help people into work, is fairer, more efficiently delivered and represents good value for money for the taxpayer. But we also need to ensure these changes work hand in hand with wider housing policies to build more social and affordable housing in mixed communities.

## **Accreditation**

### *Responses to consultation*

28. There was broad support from respondents for a basic standard for accreditation, alongside agreement that the standard should be based on the core values already developed by ANUK. Respondents were also of the view that fees should not be standardised.

### *Government view*

29. We are keen to work closely with stakeholders to develop a basic standard for accreditation. We think that this work should be closely linked with that on local lettings agencies and would like to engage with stakeholders on how that outcome should be achieved and to build on existing best practice.



30. Councils, landlord organisations and voluntary organisations have all confirmed the centrality of an effective accreditation scheme in widening access to the PRS and increasing the likelihood that both landlords and tenants will have a successful experience.
31. Well-run accreditation schemes tend to operate across more than one local authority area, either as a stand-alone scheme or as part of a wider national accreditation model, fitting in with many landlords' business model. Good schemes build trust, and involve councils learning from landlords about their business drivers and priorities as well as educating them about their legal duties and their responsibilities to their tenants.

## **C. Next steps**

32. While we welcome individual representations from interested parties, this paper is not a formal consultation document. We wish to take forward work on the areas that we have identified in Part A of this Section through discussions with key stakeholders. We plan to do this by building on the successful task and finish groups that we established as part of our consultation in the summer.
33. The task and finish groups focussed on the key regulatory proposals identified in this paper. They were drawn from representative bodies for landlords, tenants, wider consumers, letting and managing agents (both within the private rented and leasehold sectors), mortgage lenders, legal interests, Ombudsmen, regulatory bodies and local authorities. We plan to establish a Task Force drawing on the same groups. Although membership will be based on that of the task and finish groups, we would welcome suggestions for other members and, where appropriate, there will be potential for some "virtual" members (who may participate in discussions through media outside regular meetings of the main Task Force).

# Section 3: Summary of responses to consultation

The Government received 253 responses to the consultation from a range of organisations and individuals as shown in Table 1.

**TABLE 1**

| Type of respondent                          | Number     |
|---|------------|
| Local Authorities and related organisations | 58         |
| Landlord organisations                      | 18         |
| Individual Landlords                        | 78         |
| Tenant Groups                               | 29         |
| Other organisations                         | 37         |
| Letting/ Managing Agents and organisations  | 19         |
| Individuals                                 | 14         |
| <b>TOTAL</b>                                | <b>253</b> |

1. This document is a factual report of the responses received to the consultation. Some caution is however necessary in interpreting the responses. It should be noted that not all respondents replied to all the questions and the extent to which responses addressed the key issues varied considerably. The analysis below provides a summary of all the responses received. Only the organisations who responded are listed in Annex A. These have been categorised as local authorities, landlord organisations, those representing tenant interests, letting and managing agents and “other” organisations. Individuals are not included in this list although their responses have been incorporated into the summary.
2. The summary is set out under each of the main themes in the original consultation paper, as are the questions asked under those themes. Page references relate to the original consultation document.

## The Right Regulatory Framework

**How should the regulatory and incentive structure work to bring about improvements in the condition and energy performance of private sector rental properties? (page 16)**

3. There were suggestions by some local authorities that the regulatory and incentive structure should be developed to allow for self regulation of the private rented sector through accreditation, with benefits linked to membership of a scheme. They suggested that accreditation could be made a requirement

for claiming grants, receiving housing benefit or local housing allowance through the local authority. Authorities and Landlords Improving Standards Together, North West (A&LIST NW) were of the view that the current regulatory framework contains sufficient powers to bring about improvements in the sector. What is needed is for local authorities to have clear strategies of how to use their existing powers and available resources to bring about improvements in the private rented sector. They further suggested that in addition to the register and accreditation, robust enforcement against those who do not comply would be required.

4. Most landlords argued that grants and/or low interest loans for property improvement should be made available in order to improve the condition and energy performance of private rented properties. They also argued for tax incentives, lower VAT and the reinstatement of direct local housing allowance payments.
5. "Other" organisations suggested that any further regulation must also be focussed on targeting the worst landlords and not those who are already reachable and engaging with current legislation. They said that any new regulations needed to be easy to implement, well marketed to landlords and tenants, should complement current legislation, be well resourced and keep costs to a minimum.
6. Tenant groups suggested that the regulatory structure also needed to identify and protect the most vulnerable groups of private tenants, especially older people. Any framework must guarantee positive steps towards the resolution of problems while protecting older tenants from the fear of reprisals or sanction by their landlords. As well as incentives to tackle poor condition and energy efficiency, Age Concern suggested that the installation of basic aids and adaptations that would allow more older tenants to continue living independently in the sector should also be encouraged.

## **National Register**

**Is this the right amount of information? If not, what should also be added or removed? (page 18)**

**Are there any other services which could be linked to the register? (page 18)**

**Would this be a helpful service for landlords? (page 18)**

**What information should it contain in order to make it as attractive as possible to potential tenants while not overburdening landlords? (page 18)**

7. There was overwhelming support from local authorities for a national register of landlords with minimal data requirements. Some authorities also suggested that there would be benefit in including other details such as contact details of managing agents, accreditation status, Energy Performance Certificates for each property and the tenancy deposit protection scheme used by a landlord. Some however argued that anything beyond the basic information could be

more costly to administer and would deter landlords from registering. Some authorities were in favour of linking other services and information for prospective tenants to the register. Others wanted the register to concentrate on being a comprehensive list of private rented property and landlords (which would support existing enforcement activity), rather than a vehicle for enforcement in itself

8. LACORS suggested that the register should be as simple as possible with a clear purpose. The benefits of registration should outweigh costs and any fees charged should reflect this. However they also suggested that landlords could be required to follow a code of good management practice and that a failure to abide by it could be the required justification for penalty points or ultimately striking off.
9. 68 per cent of landlords who responded (mostly individual and local landlord associations) did not support the register. The RLA supported the principle of the register so long as it was a straightforward statutory register of landlords. The BPF also supported a national register but was concerned that there was no common understanding of the purpose of registration. In their view, while many landlords see the purpose of registration as a means of removing the worst landlords from the industry, they believed that government saw registration as an aid to its wider enforcement work. They cited anecdotal evidence from Scotland and the Republic of Ireland, suggesting that landlord registration has not led to more or better targeted enforcement activity. Most landlords did not support the provision of information to make the register attractive for tenants. They also did not want to see any services linked to the register because most of the services suggested were already available to them. Also linking such services to the register could result in higher administration costs which could be passed on to landlords.
10. Tenant groups were supportive of the minimal data recommended for inclusion in the register as it would provide local authorities and regulators with the information needed to undertake targeted and effective enforcement. They suggested that the register should also be linked to helpful information and advice for tenants.
11. "Other" organisations, such as Decent And Safe Homes and the Chartered Institute of Environmental Health supported the introduction of the register and most agreed with the proposal for it to contain only minimal data, although there were some suggestions of additional information that could be included. They argued that it should have a clear purpose and should be simple for landlords to register. This would ensure the widest coverage and enable local authorities to focus their enforcement activity on landlords with the poorest management and property standards. They argued that the benefits of the register should be clear and the fee payable should reflect the low entry threshold. While there was some support for the register to be used as a 'shop window', others suggested that the inclusion of such information was not crucial to the operation of the proposed register. Also, as those services are already provided elsewhere, the added value such a scheme could bring was limited. There was also some concern that the register would need to be

amended constantly, thus adding to the cost incurred by the landlord, administrator and possibly the tenant.

12. Letting agents also welcomed the proposals to set up a national landlords register. However to achieve an appropriate level of protection for consumers, they argued that registration must involve benefits and penalties for landlords. They argued that the use of the register as a "shop front" might confuse the register with a property portal and this may distract from the serious intentions behind the register. They said that the register should include information about ARLA licensed agents and the tenancy deposit protection schemes.

**Do you agree that government should explore whether the EPC data should be made available in this way? (page 18)**

**Are there any other funding or grant based schemes that could be signposted in this way? (page 18)**

*NB It became apparent on receipt of responses that there was some confusion amongst respondents about the intention behind this question. The intention was not to explore whether EPC data should be made available on the register. Instead, local authorities could use existing EPC data together with the register in order to target those landlords where the need was greatest.*

13. About 60 per cent of local authorities who expressed a view on whether the Government should explore making EPC data available through the register said yes. They also suggested that accreditation schemes, Warm Front, Landlord's Energy Savings Allowance (LESA), local private sector renewal grants and local authority loan assistance schemes could also be signposted in the register. There were some concerns however that it could be burdensome and may contradict efforts to develop a simple registration scheme that provides no hurdles to entry. Furthermore, not all private rented properties require an EPC and given that prospective tenants are unlikely to use the national register as a tool for finding accommodation, the rationale for duplicating EPC data on the proposed register was unclear.
14. Landlords did not support the proposal to explore whether EPC data could be provided in this way. Of the funding and grant based schemes that could be signposted to the register, existing systems such as the Warm Front and the Community Energy Saving Programme were suggested.
15. Tenant groups suggested that EPC data should be used as proposed and in addition the register could be used to signpost other funding or grant based scheme such as LESA, which many landlords seem to be unaware of.
16. Half of the "other" organisations who responded agreed that the Government should explore making EPC data available on the register. Though they were aware of the benefits this could bring, there were also concerns that additional requirements would make the register more complex and potentially undermine its strategic value.

17. Letting agents also suggested signposting initiatives such as LESA, Warm Front and HHSRS on the register.

**What sort of activities should be linked to removal from the register? Should this be a cumulative process (like, for instance, the points system for driving offences)? (page 19)**

18. Some of the activities suggested by local authorities to be linked to removal from the register were a failure to meet legislative requirements such as gas safety checks or a failure to comply with improvement notices or prohibition orders. Other suggested criteria for removal were a failure to meet decent homes standards or if the landlord no longer meets the fit and proper criteria. Many local authorities were also keen to ensure that enforcement and policing of the registration scheme does not become a burden on them. Some suggested that more detailed consideration about how enforcement and policing of the register would work in practice and clear central guidance on the criteria and process for striking off was needed. Local authorities also questioned whether a system such as this might be too complex and costly to administer or operate on a £50 registration fee.
19. Landlords suggested removal from the register should be linked to issues such as a persistent lack of maintenance of the property, gross negligence and non compliance with EPC, HMO, gas and electrical safety regulations.
20. Suggestions from tenant groups included evidence of abuse or harassment of older people, failure to address basic HHSRS requirements and activities that are against the interests of tenants. They suggested that the use of a cumulative process could offer an opportunity to influence the behaviour of landlords. They had concerns however that, because removal would affect a person's livelihood, such judgements would be frequently challenged. They said that local authorities have in the past taken a very conservative line in making such decisions and that the national register would be subject to similar issues.
21. Letting agents commented that removal from the register was likely to present a range of legal issues. They said that there would need to be extensive consultation about removals and sanctions including which organisation(s) should be the enforcement body and or decide appeals.

**Who should carry out these roles? Should either one of the Housing or the Estate Agents' Ombudsman have a role (perhaps in offering advice to a quasi-judicial body – possibly the Residential Property Tribunal Service)? (page 19)**

**Should the appeals process be carried out by the Lands Tribunal? Do you see any alternative body for this role? (page 19)**

**Should only enforcement agencies and advice services run by the voluntary sector be able to lodge complaints against a landlord within the context of this process? (page 19)**

**We think that current and potential tenants should also have access to the register – how can this be managed? (page19)**

**Which other individuals or organisations should have access to the data? (page 19)**

22. There was overwhelming support from local authorities for the RPTS to carry out the role of regulator with the Lands Tribunal carrying out the appeals process. There was also support for tenants to have the ability to lodge a complaint and have access to the register. Local authorities also commented, however, that access to public and private aspects of the register would need to be carefully controlled and managed in accordance with data protection requirements. Local authorities also said that there would need to be active safeguards to prevent misuse of information or inappropriate access to sensitive information. Access to the register should only be permitted to the extent that it is compatible with the register's purpose.
23. In relation to the appeals process, 47 per cent of landlords who responded were against the Lands Tribunal carrying out the role, while 37 per cent were in support. There was no support from landlords for access to the register by tenants with most landlords concerned about potential fraud and misuse of the data. There was also concern about the use of the register for commercial purposes without permission from individual landlords. BPF queried who would be registered when the landlord was a corporate body- this would be an issue in relation to removal from the register. The NLA argued against introducing a cumulative points system as it would be difficult to ensure consistency of decision making across the spectrum of agencies responsible for regulating the activities of landlords. Also, given the possible effects on a landlord of removal from a register, they argued that an adequate redress and compensation system should be established operating independently of enforcement bodies.
24. There was no consensus among tenant groups on who should carry out the role of the independent body. There was support however for tenants to have the ability to make a complaint. They also argued that those working on behalf of and representing tenants should also have access to the register.
25. There was no clear support from “other” organisations for any particular body to carry out the role of an independent body or the appeals process. It was recognised however that whichever institution (s) was designated to conduct that role would need to have the power to monitor the sector pro-actively and have sufficient powers of enforcement. Though most organisations would like to see tenants and anyone who has been affected by poor management to be able to make a complaint, others were of the view that while it is important for individual tenants to be able to register their dissatisfaction with a landlord, there would considerable scope for vexatious complaints to be made to the regulatory body. Permitting complaints from only representative, tenant or consumer bodies would limit such complaints and make it easier to build up a profile of persistent offenders in a particular area. The Information Commissioner drew attention to the third principle of the Data Protection Act

which requires that the information collected is "adequate, relevant and not excessive".

26. The Building Societies Association said that the government should ensure that the potential of a building society borrower being removed from the register should not impact on their ability to service their mortgage. They said that lenders would need to increase the cost of finance if they perceived any increased risk in lending to landlords. Clear guidance on what would happen to the property, who would manage it and how a lender's interest will be safeguarded would be required. This meant that arrangements would need to be made to ensure that the mortgage could continue to be paid either by the landlord through rents, or by a management organisation making the repayments on the landlord's behalf.

## **Existing Licensing Regimes**

**What additional criteria, if any, should be introduced for establishing selective licensing regimes? (page 20)**

**Is there merit in including criteria related to a high incidence of violations of the Housing Health and Safety Rating System or low EPC rating? (page 21)**

27. Most local authorities did not support the introduction of additional criteria for establishing a selective licensing scheme. A few, however, did suggest broader criteria, such as allowing intervention where there is evidence that high levels of private renting are undermining community cohesion or the sustainability of an area. Evidence to support new schemes could also include crime levels, degradation of the environment (litter, fly-tipping, graffiti) and high levels of housing benefit claims. LACORS commented that it can be difficult in practice for local authorities to identify prospective low demand areas and prove a direct link between ASB and privately rented properties. Guidance on ASB and low demand should therefore be updated so it is more adaptable to meet local needs.
28. Individual local authorities were divided on the merit of including high incidences of Category 1 hazards or low EPC ratings as criteria for selective licensing. Authorities not in favour included the Greater London Authority (GLA) who believe that licensing is the wrong tool to tackle these issues, which are better dealt with by engaging with and supporting landlords. They said that driving local landlords out of local areas is likely to do little to improve stock conditions and might simply transfer the same stock into the owner occupied sector. LACORS did not support these proposals because there is no requirement for a landlord to provide an EPC for non-self contained accommodation, councils do not have access to the national database and the database does not differentiate between property tenures. The Department of Energy and Climate Change (DECC) are also considering proposals to upgrade the energy efficiency of the whole housing stock. As such it is not clear how selective licensing would provide added value to the need to tackle this issue across the whole of the housing stock.



29. Most landlords did not support the introduction of additional criteria for selective licensing. Some suggested a separate consultation on this issue after publication of the BRE report. The BPF commented that while many authorities have prioritised mandatory HMO licensing, many others have not grasped that selective licensing is meant to be a targeted measure and not one that should apply across large geographic areas. Broadening the criteria will simply give some authorities even less incentive to think through their applications and put in the necessary work. The RLA are opposed to the continuation of licensing and expressed concern that the BRE report has not yet been published. The NLA expressed concern that some local authorities view licensing as a 'cure all' to housing problems and wider issues of anti social behaviour. In addition to existing requirements, they would like to see an obligation to provide evidence of previous attempts to combat perceived local problems and that an impact assessment has considered the potential consequences for the local area.
30. Though most tenants did not support the introduction of additional criteria some saw some merit in including criteria relating to a high incidence of violations of HHSRS or low EPC ratings. Some organisations suggested that selective licensing should be introduced on the grounds of cohesion within an area. Alternatively remove the specific criteria and allow local authorities to introduce selective licensing for any grounds where they could make a good enough argument to CLG that it would benefit the area.
31. Letting agents did not believe any legislative change was necessary. However, a more consistent approach by local authorities is needed in order to promote the credibility of the current regime and to promote compliance.

## **Tenancy Agreements**

### **What would be the most helpful way for the legislation to set out a written tenancy agreement? (page 21)**

32. 23 out of the 44 local authorities who responded to this question were in favour of a model tenancy agreement set out in legislation to which additional clauses could be added to reflect individual circumstances while 10 were in favour of the minimum requirements for a valid tenancy agreement being set out in legislation.
33. 32 per cent of landlords who responded were in favour of a model tenancy agreement to which additional clauses could be added, 16 per cent supported minimum requirements for a valid tenancy agreement set out in legislation and 52 per cent offered a range of other views or felt that the existing system was working well.
34. Tenant groups had no preference on the form written tenancy agreements should take, while 60 per cent of "other" organisations who responded preferred written tenancy agreements to be set out as a model agreement to which additional clauses could be added. Letting agents agreed with the proposal that all tenancies should take the form of written agreements.

**We, therefore, propose to increase the threshold to £100,000. Is this is the right level for the threshold? (page 21)**

**Should there be regular reviews of the AST threshold? (page 21)**

**How frequently should these be carried out? (page 21)**

35. 75 per cent of local authorities supported increasing the threshold to £100,000 and reviewing the threshold regularly. Most suggested a review period of between 1 and 5 years.
36. Approximately 87 per cent of landlords who responded agreed with the proposal to increase the threshold to £100,000 and for there to be regular reviews of the threshold. Approximately 74 per cent suggested a review period ranging from 1 to 5 years while 26 per cent preferred a review period between 5 – 10 years.
37. Tenant groups agreed with the proposed threshold and suggested linking regular reviews to a retail index or a set percentage rather than in real terms.
38. 80 per cent of “other” organisations agreed with the proposal to increase the threshold for ASTs to £100,000 and supported regular reviews of the threshold. There was equal support for either having five yearly reviews or linking the threshold to an index such as the retail price, general inflation or rent inflation index.

## **Regulation of Managing Agents**

**Which of the functions above should be kept within the independent regulatory body? (page 23)**

**Which of the functions above should be procured by the independent regulatory body from existing organisations? (page 23)**

**What organisations could carry out the functions outlined above? (page 23)**

**Is there merit in establishing an entirely new organisation to carry out any or all of these functions independently? (page 23)**

39. 89 per cent of local authorities said that they would like all the elements of full regulation to be kept within the independent regulatory body. Most supported the proposal that the regulator should base its code of practice, and certain consumer protection measures on the policies of existing organisations. LACORS agreed in principle that agents should ensure that properties met a legal minimum standard, but they did not believe that the decent homes standard was the appropriate standard because it was not set down in legislation. Instead the absence of Category 1 hazards under the Housing Health and Safety Rating System (HHSRS) would be more appropriate. There was some support for RICS, ARLA and NALS carrying out the functions of the independent body. Of the 24 local authority responses to the question of

whether there was merit in establishing a new body, 13 said no and 11 said yes. Local authorities would also recommend that the government reflect on the framework for a statutory scheme for licensing letting and management agency firms developed by NALS and the existing best practice developed by a range of organisations such as ARLA, BPF and RICS.

40. Both the RLA and the NLA agreed with the proposals to regulate managing and letting agents within the private rented sector. For the RLA, the licensing scheme for letting/management agents should be aimed at those who advertise themselves to the public as letting/or managing agents. A majority of individual landlords also agreed that all the proposed elements should be kept within the independent regulatory body. The BPF did not support the use of the decent homes standard because it is not particularly well known in the private sector and is somewhat complex for an agent to check on the basis of what might be relatively little exposure to the property. Most landlords did not support establishing an entirely new organisation to carry out this role but thought a body such as NALS could carry out the outlined functions.
41. “Other” organisations including NFOPP, ARMA and NALS supported the mandatory regulation of private sector letting and managing agents. Different views were expressed about the functions to be kept within the independent body, which organisation could carry out those functions and whether there was merit in establishing a new organisation. There was a suggestion that if letting agents who did not belong to a professional/trade body could not be forced to join such a body, then an entirely new organisation would be required to accommodate them.
42. The CAB suggested that DWP & CLG should consider how housing benefit reform can address the reluctance of letting agents and landlords to let to tenants in receipt of HB.

**Do you agree that managing agents operating in tenures other than renting should be included in the proposed regulatory regime?**

43. 73 per cent of local authorities were in favour of managing agents in other tenures being included in the proposed regulatory regime. Those not in favour were of the view that the primary purpose of the proposal is to address issues affecting the PRS. LACORS said that there are differing views on whether managing agents operating in tenures other than renting should be regulated. They suggested that the Government should form a view on how wide to cast the regulatory net. LACORS also suggested that there is a need for greater clarity around the definition of managing agent as some landlords “manage” properties on behalf of other landlords often as an informal agreement.
44. Most landlords who responded to this question supported the full regulation of private sector letting agents and managing agents and the extension of the proposals to managing agents in other tenures. The NLA was aware of a significant number of landlords who are also responsible for the day to day management of properties belonging to a third party, most often a relative or

friend, who is unable to do so for a variety of reasons. It is therefore important to establish exactly what groups of individuals and businesses the regulatory framework should encompass, in order not to prevent those landlords from doing so. The NLA suggests that only agencies operating on a commercial basis and as such charge a fee for letting and management services should fall within the remit of an established regulatory system.

45. Tenants also welcomed the proposal to include managing agents operating in other tenures in the regulatory scheme. CRISIS suggested that in order to ensure compliance with any new regulation, the body carrying out the regulation would need to have very clear processes, procedures and resources. There should also be clear guidelines on the consequences of non compliance with regulations and a clear line of redress for landlords and tenants. They suggested further that the majority of local PRS access schemes should not be required to fall within these proposed regulations as it would place unnecessary demands on not-for-profit schemes that have a direct role in placing homeless and vulnerable people in the PRS. UNIPOL would like the definition of a letting agent or a managing agent to be given careful consideration. Many city centre residential blocks are within mixed use buildings where the quality of residential management depends on the quality of the management of the commercial section of the building.
46. "Other" organisations also welcomed the full mandatory regulation of letting agents and managing agents and supported the inclusion of managing agents in other tenures. ANUK said that the definition of what is a 'letting agent' or a 'managing agent' would need very careful consideration as for example many landlords will also manage properties for other landlords or family members. While it is important that they should be managing to agreed standards it will be an administrative burden to require them to adhere to a rigid regulatory regime which is more appropriate for high street businesses. Other situations which would need further consideration would include where a firm of solicitors offer services of a lettings agency as part of an in-house Estate Agency Department, or where a member of one representative body was also a member of another body such as RICS and ARLA.

## **Improved Redress**

**These timescales do not seem unreasonable to us. But are there any types of cases which typically take much longer? (page 24)**

**Are there any ways in which court procedures could be streamlined without jeopardising the requirement to allow all parties a proper opportunity to prepare and support a fair hearing? (page 24)**

47. Though most local authorities agreed that the timescales were reasonable, there were cases such as contested claims where there are counter claims for disrepair, possession proceedings, disrepair enforcement and non-compliance with HMO licensing, which seem to take longer. According to one authority,

*".. it often takes 6 weeks for a court to see the papers, a further 2 weeks to reach a decision and a further 4-6 weeks for a bailiff to take action - sometimes if a tenancy*

*fails in the first few weeks, often the court does not even start proceedings until the tenancy has passed the 6 months timeframe.”*

48. Some of the suggestions offered on how court procedures could be streamlined included the judiciary adhering to agreed timescales and the introduction of housing courts or tribunals (as proposed by the Law Commission) managed by the RPTS. It was suggested that these would be more transparent and fairer and would provide the necessary expertise for dealing with cases.

49. Most landlords did not agree that the timescales were not unreasonable. For one landlord,

*“.. 6 weeks is simply the court timetable. The end to end process (from serving section 21 to enforcement) takes far too long. Non-payment of rent over 2 months, then waiting another 3 months to get your property back is an incredible amount of money to lose out on.”*

50. Another landlord stated that

*“..It takes about 6 months and costs about £828 to seek and gain possession of a property. This represents a significant levy on landlords and is a disincentive to follow the proper legal processes and potentially a barrier to the market.”*

51. Similar views and examples of ways in which court procedures could be streamlined were also expressed by other landlords. The RLA said that there are increasing signs of pressure on resources in the court service which is leading to increasing delays in obtaining a Court Order for possession and enforcement of the order. As landlords are small businesses priority should be given to possession claims and wherever possible, that these should be speeded up. The RLA also take the view that all mandatory possession claims, including those under ground 8, should be subject to a paper based accelerated procedure. The NLA also expressed concern about the lack of resources within the court system. They suggested that a restructuring towards specialisation would, provided proper funding was allocated, provide long term savings and greater efficiency.

52. The Citizens Advice Bureau suggested that consumers were often reluctant to seek redress through the courts which are seen as intimidating and costly. There is therefore a need to develop alternative forms of dispute resolution which should be simple to use and at no cost to tenants. They also said that private tenants would be highly unlikely to risk taking court action against their landlord for fear of retaliatory eviction.

## **Professional management**

**Are there other ways in which voluntary organisations can both engage more helpfully with the private rented sector and offer help and support to others?  
(page 28)**

**In looking to improve the private rented sector, which approach should be prioritised? (page 28)**

**Are there other models for constructive engagement with landlords? (page 29)**

**How can we best help and incentivise local authorities to work more constructively with the private rented sector in their areas? (page 29)**

53. Most local authorities agreed with the proposal that staff in voluntary organisations should attend training in private sector housing management. They acknowledged however that a wide range of voluntary organisations already liaise with local authorities at a national and local level. To make this more effective, they should be invited to attend regional partnership meetings and be involved in developing local housing strategies. In relation to improved engagement between local authorities and private sector landlords, local authorities suggested a two-level strategic approach of greater engagement with responsible landlords and greater use of existing powers for those landlords who fail to engage with local authorities. They said that a more strategic and coordinated approach using all information available from various sources was also required. More resources and guidance were needed to develop a meaningful engagement with the PRS.

*Salford City Council ... first approach always been to engage voluntarily with landlords and where this fails, swift enforcement action is taken. The success of Salford's landlord accreditation service has allowed enforcement to be focussed on irresponsible landlords and to engage constructively with reputable landlords on a wide range of policy issues.*

54. Landlords felt that voluntary organisations were frequently heavily biased towards tenants and could be hostile to the private rented sector. They said that it was vital for those organisations and local authority staff to receive training in understanding the technicalities and difficulties involved in managing tenancies in the private rented sector. They also suggested that many of the problems in communication and understanding between private landlords and local authorities could be reduced by better engagement through forums and committees.
55. Landlords suggested that having a clear local authority strategy for the private rented sector was usually helpful and central government should ensure that local authorities are taking account of the PRS in their strategic housing duties. The NLA said that local authorities should also seek to work constructively with tenants and landlords to manage expectations and assist in relation to the relevant responsibilities and obligations of both parties. It is also useful, where possible to provide named contacts who specialise in working with the PRS. Allied to this, a greater synergy between those different departments who interact with private residential landlords offers benefits to all parties. Taking a strategic approach would also enable local authorities to provide advice and support and signpost resources to the well-meaning landlords who are having difficulties, rather than using enforcement measures against them.

56. Tenant groups would welcome enhanced support for training and a programme of events for new and existing landlords with professional development and refresher courses. Age Concern and Help the Aged suggested that Home Improvement Agencies and housing advice agencies also needed to be part of a strategy to support private tenants and improve conditions in the sector. They could have a role in ensuring that private tenants obtain assistance with repairs, adaptations, heating, insulation and moving on. Age Concern also said that that the voluntary sector could have a key role in improving relations between landlords and tenants by offering arbitration and advice to resolve disputes.
57. Tenant groups also said that they would like to see local authorities adopt a proactive rather than complaints-driven approach to tackling disrepair. Environment departments should also establish on-going liaison arrangements with local advice and other agencies who should be actively involved in the development and review of private sector strategies. Centrepont said that if the government was committed to increasing the use of the private rented sector to house low income households, then perhaps the HCA could look into funding rent guarantee schemes. Centrepont further suggested that rent deposit guarantees must also become a core part of all local authorities' strategies if low income households were to effectively access the private rented market. Education and advice services should form a key part of all local authorities' plans for increasing the use of the PRS. A greater role by voluntary sector agencies and better communication between voluntary services and local government would also result in better understanding, improve joined-up working between the two and would enable voluntary organisations to engage successfully with the PRS.
58. There was little support from all respondents for the proposal that engagement with landlords should be primarily through the Small Business Unit (SBU). Landlords for example were sceptical of accepting commercial and business advice from those without experience of running their own business. Most landlords saw the environmental health department as their primary point of contact with their local authority.

## **Local lettings agency**

**Which approaches have been shown to work best, and are there any which have been tried but shown to meet major hurdles? (31)**

**What could usefully be added to the “menu” of options set out above? (page 31)**

**Are there any barriers to the type of approach outlined above? (page 31)**

59. The development of local letting agencies (LLA) was welcomed by local authorities. However they said that any framework for the development of local letting schemes needed to acknowledge the wide variety of schemes already in place such as private sector leasing schemes, rent guarantee/deposit and

bond schemes and nomination rights linked to grant or loan assistance. It was important to share existing good practice. They said that Government should not propose a one size fits all approach but should develop a menu of incentives. These might include free EPCs, access to an advice and assistance hotline, reduced HMO licensing or accreditation fees, reduced buildings insurance premiums and access to grant loan assistance in return for nomination rights. This approach could also be widened to work across neighbouring authorities by partnership working e.g. a reciprocal arrangement between local authorities for inspecting properties when providing rent deposits to tenants who wish to reside in neighbouring boroughs. Authorities suggested that the main barriers to this approach were securing adequate resources, data protection issues (if landlord and tenant information is to be shared between different departments and agencies) and the Local Housing Allowance which, they said, had deterred many landlords from renting to low income households.

60. Landlords commented that for the proposals to work well there needs to be an understanding of what landlords wanted rather than being driven only by the local authorities' needs. Local authorities could also assist by reducing the risk of letting to riskier tenants, through providing tenancy deposits, standing as guarantor, and assisting with any potential ASB cases. Landlords said that the payment of LHA direct to tenants was also a barrier. They would welcome the reintroduction of direct payments to landlords, encouraging deposit schemes and rent in advance payments. Landlords were also concerned that they were not given the full history about tenants and often ended up with problem tenants. There was also some concern that mortgage providers often include a condition within a mortgage that the property should not be let to benefit recipients. This could mean more recent and often better housing stock in the private rented sector was not available to those on benefits, driving vulnerable tenants to older and/or poorer-quality stock. Landlords were also concerned that if new regulations put too many extra conditions on landlords, it could push some landlords out of the market leading to even less choice for tenants.
61. Tenants' groups said that they would like local authorities to take a more strategic approach rather than delivering services directly if there is already an agency effectively doing so. Before implementing these proposals, the NUS suggested that there needed to be a realistic assessment of councils' administrative capabilities because of the time, cost and resources required to establish and run such a scheme. Tenant groups said that government needed to address the reasons why letting agents and landlords were reluctant to deal with tenants paying via HB and LHA. CRISIS said that any strategies to make the PRS a more effective solution for vulnerable and homeless people would need to include a complete overhaul of how HB interacts with the sector. To promote the PRS as a housing option for low income and vulnerable households, there must be a real commitment from CLG to work with DWP to review the housing benefit system and in particular how LHA is working.



## **Accreditation**

**Is the time right to establish a basic standard for accreditation? (page 32)**

**If so, should this be industry led, prescribed by government or carried out by an independent body (like ANUK)? (page 32)**

**What should a basic standard for accreditation cover? (page 32)**

**How can local authorities and landlord associations be encouraged to work together to develop continuous professional development schemes? (page 32)**

**Should accreditation registration fees also be standardised? (page 32)**

62. 86 per cent of local authorities who responded to this question agreed it was time to establish a basic standard of accreditation. However, they said that government needed to clearly differentiate landlord accreditation from the proposed national landlord register before embarking on the development of a national network of accredited schemes. To succeed, it was vital to demonstrate that accreditation would provide significant added value even with a national landlord register in place. For example if landlord registration provides starter packs, standard forms etc, what other benefits would accreditation bring? If a national register was introduced, there should be publicity to explain the importance of tenants ensuring their landlord is registered. This simple message could however be lost if a second strand of the campaign involved explaining the added value of using an accredited landlord.
63. More than half of the authorities who responded also preferred the scheme to be carried out by an independent body. Local authorities said that as a minimum, accreditation should cover landlord training, tenancy agreements, tenancy management and property and management conditions. LACORS suggested it should be a framework document which established the core values and principles that all schemes should adopt. It should take into account the core values already developed by ANUK (Declaration of Compliance, Verification of Standards, Adequate system of Redress and Continual Improvement), the work already undertaken by Authorities and Landlords Improving Standards Together and the existing good practice developed through schemes like London Landlord Accreditation Scheme and East Midland Landlord Accreditation Scheme. Landlord associations were also developing their own accreditation schemes and said that any new framework should be equally applicable to schemes operated by third party organisations. LACORS also said that there are several examples of local authorities working with landlord associations to deliver successful training courses. One practical difficulty however is securing the resources required to run training courses. While some regions are already well supported by groups such as DASH (East Midlands) & A&LIST (North West), further regional funding would be required to expand this network of regional groups across the country.

64. While some authorities agreed with standardised fees, others said that it would be too prescriptive and would not take account of regional and local differences. Others were also concerned that if charges exceed benefits it could be detrimental to ongoing dialogues between council and landlords. Local authorities also said that fee charging has been shown to inhibit the take up of schemes unless significant resources are used to support incentives.
65. 54 per cent of landlords who responded said it was time to establish a basic standard of accreditation. The NLA suggested that it would only be appropriate to apply objective guidelines concerning management standards nationally as prescribed physical property standards are extremely difficult to apply broadly across geographical regions due to different housing stock and conditions. Most landlords preferred an industry led scheme with the basic standard of accreditation aimed at property standards. 57 per cent of landlords did not think that accreditation fees should be standardised with some suggesting that no fees should be charged.
66. Tenant groups agreed it was time to establish a basic standard of accreditation led by an independent body and that it should cover the four basic principles established by ANUK. In addition they believed that, if relevant high quality training was made available at an affordable price, there would be no shortage of take-up. Those who responded were split on whether or not the fees should be standardised.
67. "Other" organisations agreed that there was a need to establish a basic standard of accreditation because there were too many diverse schemes which were confusing to tenants and landlords, particularly those operating across several local authorities. There was a slight preference for a standard prescribed by government after development in association with experienced stakeholders. They said that the model should include both property and management standards together with a requirement for landlords to sign up to a code of good practice in return for tangible benefits such as subsidised training and tax breaks. "Other" organisations suggested that accreditation fees should not be standardised because of the wide variety of local factors that affect the cost and resources available to implement accreditation. Setting fees locally would also make it easier to change them periodically in response to changing circumstances.

# Annex A: List of respondents

## Local authorities

A&LIST NW (Authorities & Landlords Improving Standards Together North West)  
Association of North East Councils  
Association of Housing Advice Services  
Association of Tenancy Relations Officers  
Barrow Borough Council  
Birmingham City Council  
Blackpool Council  
Bolton Council  
Bournemouth  
Bracknell Forest Council  
Breckland Council  
Bristol City Council  
Burnley Council  
Durham County Council  
East of England Regional Economic Forum  
East Midlands Regional Assembly  
Gateshead Council  
Greater Manchester Housing Officer Group  
GLA  
Guildford BC  
Herefordshire Council  
Herts and Beds Environmental Health Group  
Huntingdonshire DC  
Humber Sub Regional Housing Group  
Islington Council  
LACORS  
Leeds City Council  
Liverpool City Council  
London Borough of Brent  
London Borough of Barnet  
London Borough of Camden  
London Borough of Hillingdon  
London Borough of Lewisham  
London Borough of Sutton  
London Councils  
Northumberland County Council  
Newcastle City Council  
NewHeartlands  
Manchester City Council  
Mansfield District Council  
Oxford City Council  
Reading Borough Council  
Runnymede BC  
Salford City Council  
Sheffield City Council  
Solihull MBC

South East London Housing Partnership  
South Tyneside Council  
Stafford Borough Council  
Stockton Upon Tees Borough Council  
Thanet District Council  
Tonbridge and Malling Borough Council  
West of England Local Authorities  
West London Housing Partnership  
Westminster City Council  
Wirral Council

## Landlord organisations

Affinity Sutton Group  
Birmingham Private Landlords Steering Group  
British Property Federation  
Byrkley Properties Ltd  
Country Land and Business Association  
East Lancashire Landlords Association  
National Landlords Association  
National Landlords Association (Wessex)  
Peartree & Normanton Landlord Associations  
Places for People  
Residential Landlords Association  
R L Glasspool Charity Trust  
Southern Landlords Association  
Scottish Rural Property and Business Association  
The Guild of Residential Landlords  
UNITE  
UK Landlord Associations Policy Group  
West Riding Residential Landlords

## Tenant organisations

Age Concern & Help the Aged  
BPTRG (Brent Private Tenants' Rights Group)  
Broadway  
Camden Federation of Private Tenants  
Centre Point  
Citizens Advice Bureau  
CRISIS  
Leeds University Union  
NUS  
Off the Streets and into Work  
Shelter  
St Mungo's  
Students Union Advice Centre  
Social Homes Ltd  
UCL Union  
UNIPOL  
University of Leeds

## Other organisations

ANUK  
Arden Chambers  
Building Societies Association  
Building & Social Housing Foundation  
Central Association of Agricultural Valuers  
Chainbow  
Chartered Institute of Housing  
Chartered Institute of Environmental Health  
Consumer Focus  
Decent and Safe Homes  
DNH Services Ltd  
Energy Saving Trust  
Energy Efficiency Partnership for Homes  
Homes and Communities Agency  
Housing Ombudsman  
Housing Law Practitioners Association  
Health and Safety Executive  
Information Commissioners Office  
Land Registry  
LLAS  
National Energy Action  
National HMO Lobby  
National HMO Network  
Office of Fair Trading  
Paragon  
Property Standards Board  
Rees Page Solicitors  
RPTS  
Templeton LPA Receivers  
TFP Online Ltd  
The Dispute Service  
The Law Society  
The National Trust  
University of Nottingham  
Universities UK  
Which  
York Law School, University of York

## Letting/managing agents

Association of Residential Managing Agents  
Belvoir Lettings  
Concept Property Management Ltd  
Grant Management  
Guild of Letting and Management  
Homestead CSL  
Housewise Lettings Ltd  
Institute of Residential Property Management Ltd  
LettingFocus  
Mainstay Residential Limited  
MITIE  
NALS

NFOPP  
Orchard Shipman Plc  
Sedgemoor Housing Management Services Ltd  
Stevens Scanlan  
The GOL Group  
The Guthrie Partnership  
UK Association of Letting Agents